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C O N F I D E N T I A L SECTION 01 OF 03 DHAKA 000046

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SUBJECT: AFTER A TURBULENT YEAR IN OFFICE, BANGLADESH'S
CARETAKER GOVERNMENT STILL HAS A LONG MARCH TOWARD YEAR-END
ELECTIONS

REF: A. REF: A. 07 DHAKA 1932

[1](#)B. B: 07 DHAKA 1594

[1](#)C. C: 07 DHAKA 1827

[1](#)D. D: 07 DHAKA 0907

[1](#)E. E: 07 DHAKA 1279

[1](#)F. F: 07 DHAKA 1619

[1](#)G. G: 07 DHAKA 1490

[1](#)H. H: DHAKA 0029

Classified By: CDA a.i. Geeta Pasi; Reasons 4(b) and (d)

[1](#)1. (C) SUMMARY: Bangladesh's Caretaker Government (CTG) marks its one-year anniversary January 12, roughly the half-way point between taking office and its self-imposed deadline to restore parliamentary democracy. The CTG can claim some significant achievements, including a massive voter registration effort that is largely on track. Other welcome reforms, including the anti-corruption campaign, have been controversially implemented. As preparations ramp up for national elections scheduled by the end of 2008, the CTG faces serious challenges, particularly the need to initiate a dialogue among the government, military and political parties on the shape of Bangladeshi democracy to follow. Serious structural weaknesses continue to plague the CTG and push the Army to play a major and increasingly visible role. In a bid to regain momentum and address the regime's most glaring weaknesses, the CTG underwent a major shake-up in early January. The Embassy will continue to press for actions that will achieve our goals of free, fair and credible elections by the end of 2008 and of ensuring the sustainability of democratic reforms. END SUMMARY.

THE ROADMAP TO ELECTIONS

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[1](#)2. According to the July 2007 elections roadmap, Bangladesh's Election Commission is scheduled to complete a new voter list with photographs by July 2008 and hold parliamentary elections by the end of 2008. As of January 6, the Election Commission had registered nearly 23 million people for the new voter list. This represents approximately one quarter of estimated eligible voters. The Election Commission reports the registration process is still on schedule despite Cyclone Sidr's devastation and a delay in the delivery of laptop computers for the project. Independent monitoring of the registration process has not been permitted beyond a limited trial despite repeated

requests from USG officials. According to the roadmap, local elections were scheduled to be held on a rolling basis starting in January 2008 in areas where the voter list is complete. On December 28, however, the Election Commission announced that the first local government elections, for the city corporations of Rajshahi, Sylhet, Khulna, and Barisal, will be delayed until April, with Dhaka coming later in the year. (Note: This has not raised many alarm bells among political parties as local elections feature local candidates and are non-partisan. End Note)

ELECTORAL REFORM MOVES FORWARD

¶3. (C) An important parallel track to voter registration is electoral reform. The July 2007 roadmap called for dialogues between the Election Commission and the political parties from September to November 2007, and for the promulgation of new electoral regulations by April 2008. The Election Commission developed a detailed list of proposed reforms that were publicly released in early September. These included less controversial proposals, such as mandatory registration of political parties, prohibitions on buying and selling of nominations for parliamentary seats, and registration requirements for parties to run in elections, as well as more contentious suggestions, such as limiting the ability of independent candidates to run for office and requiring that 30 percent of candidates from a party be female. By year's end, after the CTG announced an easing of the ban on indoor political activity, though only in Dhaka, the Election Commissioners

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met with 15 of 16 major political parties. The exception was the Bangladesh Nationalist Party (BNP), which ruled the country from 2001-2006 but has since split into two factions. The Commission was awaiting a judicial ruling on which faction to meet as the "official" BNP representative. The Election Commission plans further one-on-one meetings with political parties finalize what reforms will be required for party registration.

PARTY REFORM STAGNATES

¶4. (C) As of the end of 2007, efforts at internal party reform within the BNP, and to a lesser extent the Awami League, have stagnated. (Reftel C) Loyalists of imprisoned BNP leader and former Prime Minister Khaleda Zia have challenged the legality of an October 29 decision by the BNP Executive Board, actively supported by elements of the Directorate General Forces Intelligence (DGFI), to appoint former Finance Minister Saifur Rahman acting party president, "temporarily" replacing Zia while she awaits trial on corruption charges. The Election Commission then scheduled its dialogue with Rahman's BNP delegation for November 22, but the courts suspended the invitation and are scheduled to review the matter early in 2008.

¶5. (C) The Awami League, meanwhile, appears to have become more unified, despite initial fractions. Top figures in the Awami League tell us privately that they are keen to participate in the electoral reform process with the CTG and the Bangladesh military and that they are open to a "government of national unity" after the elections. There are also indications that some in the Awami League would like to further sideline party leader and former Prime Minister Sheikh Hasina, currently in jail on corruption charges, to provide some room at the top for those who want to move up. The start of one graft case against Sheikh Hasina was repeatedly delayed in late December in part due to her claims of ill health. Her doctors have appealed to the CTG to permit her to seek medical treatment in the United

States.

¶16. (C) Reforms to make the two major parties more pluralistic are on hold pending the court cases of their two autocratic rulers) Sheikh Hasina of the Awami League and Khaleda Zia of the BNP, both of whom remain popular among grass-roots supporters. No new generation of party leadership has emerged under their iron-fisted leadership (possibly even from behind bars), and the current uncertainty over their fate has prevented the parties from dealing forthrightly with future challenges. None of the lesser parties) including two new parties established last year with the support of the military -- has generated a leader of national appeal, and Jamaat is fending off renewed efforts by its opponents to pressure the government to declare it illegal based on its religious orientation. This vacuum of popular political leadership ultimately may be the biggest stumbling block toward ensuring the political reforms instituted by the CTG outlive its tenure.

RESULTS OF ANTI-CORRUPTION CAMPAIGN ARE MIXED

¶17. (C) One of the Caretaker Government's top priorities when it took office in January 2007 was to tackle Bangladesh's endemic corruption. It strengthened the previously anemic Anti-Corruption Commission (ACC). The ACC, aided by law enforcement authorities and the military, has pursued an aggressive campaign against hundreds of corrupt officials, from the two former Prime Ministers on down. While the anti-corruption campaign has received widespread support, there has been growing criticism that the government has targeted its opponents and passed over supporters. The campaign has also spooked investors, who are holding back on business deals for fear of drawing attention to their wealth. The CTG has floated a variety of initiatives to bolster business confidence, but investors remain wary. (NOTE: A review of Bangladesh's economy on the one-year anniversary of the CTG will be provided septel. END NOTE.)

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COMMENT: GLIMMERS OF HOPE, AND SIGNS OF CONCERN, IN 2008

¶18. (C) The delays in the electoral roadmap are not cause for immediate alarm, but could portend more serious trouble if they slip further. The Election Commission has undertaken laudable reforms to improve the country's electoral machinery, and if they can stick they could guarantee Bangladesh much fairer elections in the future. More troubling is disarray within the two largest parties and the failure of a new generation of reform-minded politicians to emerge as effective leaders. The government and military mishandled an opportunity early in the state of emergency to foster organic reform of the two major parties through institutions like the Election Commission. In attempting to impose party reform they failed to capitalize on the immediate post-January 11 public sentiment for genuine change. A lot now hinges on the ability of the government to encourage genuine internal party reform in the two largest parties and on the emergence of credible leaders to replace the two jailed former prime ministers.

¶19. (C) In response to growing complaints that the 10-member Council of Advisers was ineffective in running the government, four controversial members stepped down on January 8, just three days before the one-year anniversary. The reconstituted Council will have its hands full implementing the CTG's ambitious reform program and winning over public sentiment. At the same time, the military continues to play a major role in the functioning of the country; it has been involved in everything from voter registration to Cyclone Sidr relief efforts. The so-called

"exit strategy" of the Caretaker Government -- the terms under which it and the military would feel comfortable handing power back to an elected government -- remains undefined and will have to be negotiated with the political parties. Many Bangladeshis remain concerned that elections could be postponed further and the military could play a more direct role in governing the country should such an agreement prove elusive.

¶10. (C) To achieve the goal of elections by the end of 2008 and to ensure the sustainability of reforms, in private and public we will:

- Continue pressing the CTG to lift the ban on political activities and to seek dialogue with political parties over an "exit strategy" that includes their participation in national elections.

- Continue to express our support for the positive reforms of the CTG, e.g. aspects of the anti-corruption drive and institutional strengthening.

- Continue pressing on human rights issues, urging the CTG and military to take more publically visible corrective action when violations occur.

- Encourage the parties to promote internal democracy and to sustain the CTG's political reforms beyond the elections.

Pasi